Government of Saskatchewan

Annual Report 1986-87

Saskatchewan Public Employees Superannuation Plan

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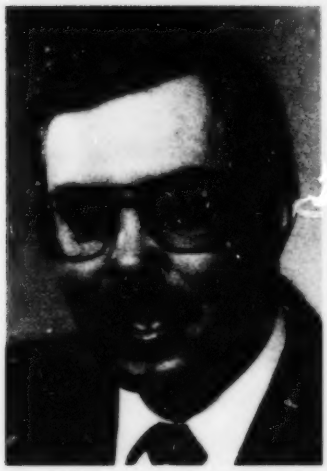


The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

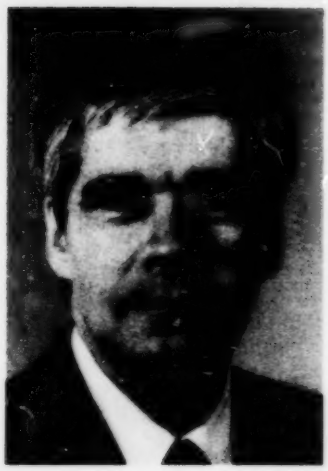
I have the honour to transmit herewith the tenth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1987.

I have the honour to be, Madam.

Your Obedient Servant

L. L. Hepworth

Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan



The Honourable Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan
Regina, Saskatchewan

Sir:

On behalf of the Supervisory Board of the Public Employees Superannuation Plan. I have the honour to present herewith the tenth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1987.

Respectfully submitted,

Supervisory Board
Public Employees Superannuation Plan

Brian Smith

Brian Smith
Chairman

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Introduction

The Public Employees (Government Contributory) Superannuation Plan is established by section 38 of The Superannuation (Supplementary Provisions) Act.

The plan was established for permanent employees hired on or after October 1, 1977, by the Government of Saskatchewan and other participating public sector employers. As well, employees covered by The Public Service Superannuation Act, The Saskatchewan Power Superannuation Act, The Saskatchewan Telecommunications Superannuation Act, The Liquor Board Superannuation Act, and The Workmen's Compensation Board Superannuation Act were given the opportunity to transfer to the Public Employees Superannuation Plan prior to October 1, 1978.

Non-permanent employees of participating employers were given the option to join the pension plan in 1982.

Operation of the Plan

Members of the plan contribute 5% of their salary to the Public Employees Superannuation Fund. The members' employer contributes a matching amount.

The assets of the pension fund are invested and all earnings are credited to the members' accounts. The accumulated contributions together with interest form the basis of the members' retirement benefit.

Investment earnings are distributed to the members' accounts at March 31 of each year, with proportionate interest being credited on termination refunds or other benefits paid out during the year.

If a member joined the plan prior to August 1, 1982, member contributions are locked-in and the employer share vested with the member after three years of participation in the plan. If the member joined the plan on or after August 1, 1982, member contributions are locked-in and the employer share becomes vested at age 25 if the member has one year of service or more, and at the completion of one year of service if the member is over age 25.

Locked-in means that if the member terminates employment the member cannot receive a cash refund of the member contributions. Those contributions must be paid to the member in the form of an annuity. Vested means that the employer contributions made on behalf of the member also must be used to provide the member with an annuity. The employer does not receive a refund of those contributions if the member terminates employment. The earliest that a terminated member who is locked-in and vested may receive an annuity is at age 55 years.

Until they are eligible for an annuity terminated members who are locked-in and vested may leave the money in the plan or may transfer their account to a locked-in Registered Retirement Savings Plan (RRSP).

Terminated members who are not locked-in and vested may request a cash refund of employee contributions together with interest. If member contributions are refunded, employer contributions also are refunded to the employer.

The normal age of retirement is age 65 years. However, members may retire and start to receive an annuity as early as age 55 years with one year of pensionable service. As well, members may retire at any time after 35 years participation in the plan. Members must commence receiving an annuity prior to their 71st birthday.

Members use employee and employer contributions plus interest to purchase an annuity. Under the terms of an annuity, members are paid a fixed sum of money on a regular basis, usually monthly, for life. Annuities may be purchased from an insurance company or from the Public Employees Annuity Fund.

Married members must purchase a joint life annuity in which case the annuity is guaranteed for the life of the member and the member's spouse. Single members may elect a single life annuity or may choose a 15 year guarantee period. All members are guaranteed that if they die before their total periodic annuity payments equal at least their account balance at retirement, the difference is paid to their beneficiary or estate.

Men and women retiring under the same circumstances receive the same pension as unisex mortality tables are used in the calculation of the annuity.

If the member dies prior to purchasing an annuity, the member's spouse may elect to purchase an annuity with the member's account balance. Alternatively, the spouse may elect to receive a lump sum payment, transfer the funds to an RRSP, or leave the money in an account with the plan. All other beneficiaries are required to receive a lump sum payment of the account balance.

If the member dies after they have purchased an annuity, the benefit payable to the spouse, beneficiary, or estate is dependent on the type of annuity purchased.

Membership Status

Membership at March 31, 1986		16,268
Add:		
Enrollments during the year	2,156	
Reciprocal transfers in	64	2,220
Less:		
Terminations refunded	366	
Death benefits paid	11	
Reciprocal transfers out	45	
Retirement annuities	65	
Transfers to locked in RRSP's	37	524
Membership at March 31, 1987		17,964

Administration

For the fiscal year 1986-87, the Supervisory Board engaged the services of the Investment and Financial Services Division of Saskatchewan Finance to provide investment advice. Investments are required to be made in accordance with The Canadian and British Insurance Companies Act (Canada) and The Department of Finance Act, 1983 (Saskatchewan).

The Public Employees Benefits Agency provides the day-to-day administration of the pension plan. For the year in question, expenses associated with the administration of the plan are paid out of funds appropriated by the Legislature.

In accordance with section 39 of The Superannuation (Supplementary Provisions) Act, the plan is administered by a seven member Supervisory Board representing employees and employers.

The Supervisory Board extends its appreciation to the staff of the Public Employees Benefits Agency and the Investment and Financial Services Division and to those persons within government departments, agencies and crown corporations whose co-operation and assistance during the year contributed to the continued successful operation of the plan.

Chairman

Brian Smith

Representing Employers

Gerry Kraus (Finance)
Nancy Croll (Health)
Fred Yeo (SaskTel)

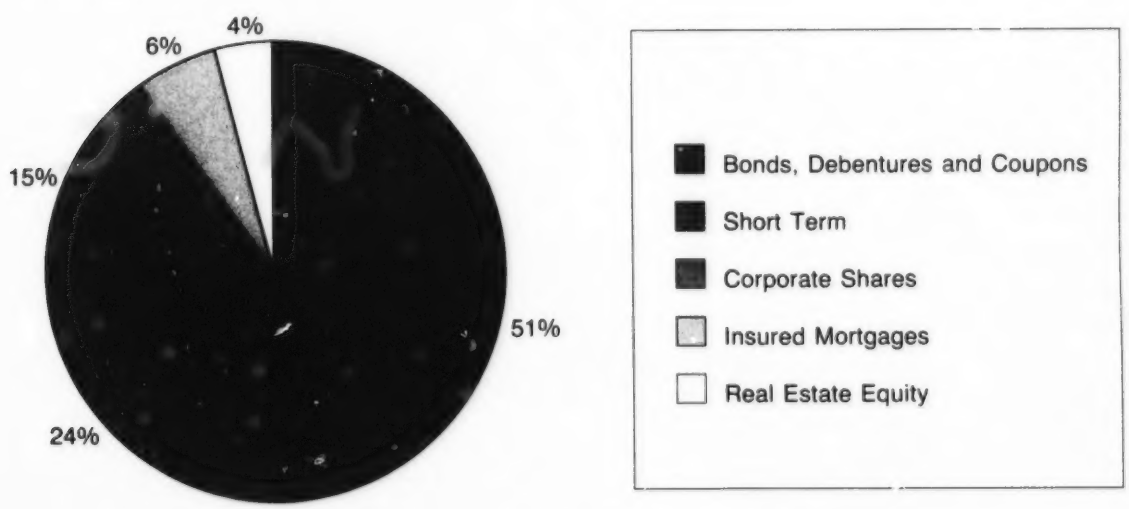
Representing Employees

Ray Bidwell (C.E.W.C.)
Kirby Sanden (I.B.E.W.)
Dan MacKay (S.G.E.U.)

Investments

In 1986-87, the assets of the Public Employees Superannuation Fund were invested by Saskatchewan Finance, Investment and Financial Services Division. The investment portfolio at March 31, 1987 contained the following assets:

Investments by Type



Public Employees Superannuation Plan Investments

Corporate Bonds	$95,875,426	
Government of Saskatchewan Bonds	27,946,730	
Government of Canada Bonds	20,932,437	
Other Provincial Bonds	23,742,812	
Municipal Bonds	9,535,400	
Total Bonds and Coupons		$178,032,805
Short Term		85,535,747
Stocks		51,393,468
Mortgages		22,576,393
Real Estate		13,013,317
Total Investments		$350,551,730

Public Employees (Government Contributory) Superannuation Fund

Schedule of Investment Transactions
Year Ended March 31, 1987

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't of Canada	July 1/1989	8.50	$ 2,038,800.00	7.54	$ 2,000,000.00
Gov't of Canada	Dec. 6/1987	9.25	2,014,000.00	8.69	2,000,000.00
Gov't of Canada	Mar. 6/1988	9.75	1,015,500.00	8.83	1,000,000.00
Gov't of Canada	May 1/2002	10.00	4,150,000.00	9.53	4,000,000.00
Gov't of Canada	May 1/2002	10.00	1,036,250.00	9.55	1,000,000.00
Gov't of Canada	May 1/2002	10.00	5,154,500.00	9.61	5,000,000.00
Gov't of Canada	May 1/2002	10.00	4,275,000.00	9.15	4,000,000.00
Gov't of Canada	Dec. 15/1995	10.75	545,625.00	9.29	500,000.00
Gov't of Canada	Mar. 1/1995	11.75	630,437.50	9.23	550,000.00
Province of Sask.	Dec. 3/1998	8.25	466,650.00	9.18	500,000.00
Province of Sask.	Sept. 17/1996	9.00	978,750.00	9.33	1,000,000.00
Province of Sask.	Sept. 17/1996	9.00	976,250.00	9.37	1,000,000.00
Province of Sask.	Dec. 11/1996	9.00	502,500.00	8.92	500,000.00
Province of Sask.	Feb. 1/2002	9.00	492,230.80	9.81	526,000.00
Province of Sask.	Dec. 30/1991	9.00	841,417.50	8.50	825,000.00
Province of Sask.	June 15/2003	9.50	235,635.40	9.82	242,000.00
Province of Sask.	Dec. 30/2004	9.625	1,025,000.00	9.625	1,025,000.00
Province of Sask.	Apr. 16/1996	9.75	2,431,625.00	9.87	2,450,000.00
Province of Sask.	Apr. 16/1996	9.75	3,068,700.00	9.39	3,000,000.00
Province of Sask.	Apr. 16/1996	9.75	518,125.00	9.16	500,000.00
Province of Sask.	May 15/2004	10.00	126,012.50	9.90	125,000.00
Province of Sask.	Dec. 21/1988	10.75	1,418,794.00	9.52	1,385,000.00
Province of Sask.	Mar. 30/2003	12.25	2,796,000.00	10.07	2,400,000.00
Province of Sask.	Mar. 30/2003	12.25	1,168,750.00	10.00	1,000,000.00
Ontario Hydro	Dec. 15/1991	9.00	784,000.00	9.50	800,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,343,450.00	9.606	1,385,000.00
Ontario Hydro	Aug. 30/2008	9.50	499,500.00	9.51	500,000.00
Ontario Hydro	Aug. 30/2008	9.50	500,625.00	9.48	500,000.00
Ontario Hydro	Aug. 30/2008	9.50	908,541.00	9.21	885,000.00
Ontario Hydro	June 27/2008	9.75	487,600.00	10.03	500,000.00
Ontario Hydro	June 27/2008	9.75	984,200.00	9.93	1,000,000.00
Ontario Hydro	Jan. 25/2005	9.375	1,100,000.00	9.375	1,100,000.00
Ontario Hydro	May 18/2001	10.00	1,015,000.00	9.75	1,000,000.00
Ontario Hydro	May 10/2009	10.00	999,500.00	10.00	1,000,000.00
Ontario Hydro	May 10/2009	10.00	1,038,750.00	9.49	1,000,000.00
Ontario Hydro	May 21/2000	10.25	1,015,000.00	9.99	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	2,007,500.00	10.20	2,000,000.00
Ontario Hydro	May 30/1995	11.25	1,082,500.00	9.80	1,000,000.00
Prov. of Nfld.	Feb. 25/2010	9.375	900,125.00	9.96	950,000.00
Nfld. Lab. Hydro	June 27/2003	10.00	973,900.00	10.33	1,000,000.00
Prov. of Nfld.	Mar. 4/2006	11.00	1,144,000.00	10.48	1,100,000.00
Prov. of Nfld.	Mar. 4/2006	11.00	1,047,500.00	10.42	1,000,000.00
City of Edmonton	June 14/2003	12.25	603,857.60	10.61	536,000.00
City of Edmonton	Dec. 13/2004	12.875	587,500.00	10.67	500,000.00
City of Winnipeg	Aug. 1/1996	9.75	997,500.00	9.79	1,000,000.00
Alta. Energy Corp.	June 30/1996	10.50	1,350,000.00	10.50	1,350,000.00
Avco	Apr. 2/1991	10.75	1,000,875.00	10.33	1,000,000.00

Schedule of Investment Transactions
Year Ended March 31, 1987

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Bank of Nova Scotia	Feb. 3/1997	9.375	1,990,000.00	9.45	2,000,000.00
Bank of Nova Scotia	June 27/1991	9.92	2,079,200.00	8.80	2,000,000.00
Bank of Nova Scotia	Mar. 27/1991	10.00	990,000.00	10.01	1,000,000.00
Bank of Nova Scotia	Mar. 27/1991	10.00	1,000,000.00	10.00	1,000,000.00
Beneficial	Feb. 19/1990	8.90	3,500,000.00	8.90	3,500,000.00
C.C.L. Industries	Jan. 2/1997	10.35	2,000,000.00	10.35	2,000,000.00
C.C.L. Industries	Jan. 2/1997	10.35	516,250.00	9.82	500,000.00
C.N.R.	Nov. 15/2004	13.00	1,165,000.00	10.90	1,000,000.00
C.N.R.	Nov. 15/2004	13.00	592,500.00	10.68	500,000.00
Cambridge Leasehold	Mar. 31/2002	10.60	1,000,000.00	10.60	1,000,000.00
Canadian Oil	Oct. 31/2000	11.00	2,000,000.00	11.00	2,000,000.00
C.I.B.C.	Nov. 14/1988	10.25	1,009,900.00	9.80	1,000,000.00
C.I.B.C.	May 30/1991	9.75	1,992,200.00	9.85	2,000,000.00
Consumers Gas	June 1/2006	9.875	1,446,450.00	10.30	1,500,000.00
Domtar	Sept. 1/2006	10.35	3,000,000.00	10.35	3,000,000.00
Domtar	Sept. 1/2006	10.35	957,500.00	10.87	1,000,000.00
Imasco	Nov. 20/1996	10.50	1,000,000.00	10.50	1,000,000.00
Interprov. Pipeline	July 15/1996	10.875	1,043,750.00	10.17	1,000,000.00
IPSCO Ltd.	Oct. 1/1995	11.625	503,300.00	11.50	500,000.00
Loblaw Euro	Dec. 19/1991	10.00	1,445,500.00	9.125	1,400,000.00
Macmillan Bloedel	Jan. 15/1995	11.25	518,000.00	10.60	500,000.00
Macmillan Bloedel	Jan. 15/1995	11.25	506,500.00	11.00	500,000.00
Marathon Realty	Aug. 15/2006	10.50	1,000,000.00	10.50	1,000,000.00
Montreal Trust	Mar. 27/1992	9.00	1,511,850.00	8.80	1,500,000.00
Montreal Trust	Mar. 20/1991	10.00	496,250.00	9.95	500,000.00
Nat'l Victoria Grey	June 17/1996	10.50	1,000,000.00	10.50	1,000,000.00
New GSM Holding Corp.	Dec. 31/2008	11.04	991,316.00	11.04	991,316.00
Norcen Convertables	Dec. 15/2006	6.00	1,000,000.00	6.00	1,000,000.00
Pacific W. Convert.	Dec. 30/1996	7.625	1,700,000.00	7.625	1,700,000.00
Royal Trust	Nov. 1/1989	9.125	1,000,350.00	9.10	1,000,000.00
Royal Trust	Mar. 19/1991	9.875	995,100.00	10.00	1,000,000.00
Roylease	Aug. 27/1996	9.75	1,300,320.00	10.35	1,350,000.00
STCC Ltd Partnership	June 30/1994	8.00	750,000.00	8.00	750,000.00
Stelco	Apr. 30/1996	10.25	401,000.00	10.25	400,000.00
Stelco	Oct. 1/2000	13.50	275,000.00	12.01	250,000.00
TransCanada Pipeline	Dec. 6/1994	12.625	2,127,500.00	11.04	2,000,000.00
Trizec	Oct. 1/1996	10.00	997,500.00	10.02	1,000,000.00
Trizec Euro	Oct. 1/1996	10.00	948,750.00	10.86	1,000,000.00
Trizec Euro	Oct. 1/1996	10.00	984,000.00	10.25	1,000,000.00
Trizec	Mar. 15/1995	11.875	542,500.00	10.36	500,000.00
Trizec	Mar. 15/1995	11.875	2,107,500.00	11.875	2,000,000.00
Western Int'l Comm.	Dec. 31/2000	8.50	705,000.00	6.61	600,000.00
Western Int'l Comm.	Dec. 31/2000	8.50	590,000.00	7.67	500,000.00
Woodward Stores	July 15/1993	9.25	486,300.00	9.79	500,000.00
F. W. Woolworth	Jan. 31/2003	10.00	25,195.00	9.90	25,000.00
F. W. Woolworth	Jan. 31/2003	10.00	480,400.00	10.50	500,000.00
			$112,949,857.30		$110,600,316.00

Schedule of Investment Transactions
Year Ended March 31, 1987

Bonds, Debentures and Coupons Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Gov't of Canada	Apr. 15/1989	9.25	$ 1,017,500.00	$ 995,000.00	$ 1,000,000.00
Gov't of Canada	May 15/1997	9.25	1,060,062.50	989,625.00	1,050,000.00
Gov't of Canada	Sept. 6/1987	9.75	2,022,000.00	1,996,000.00	2,000,000.00
Gov't of Canada	Mar. 6/1988	9.75	1,021,600.00	996,500.00	1,000,000.00
Gov't of Canada	Mar. 6/1988	9.75	1,021,600.00	1,015,500.00	1,000,000.00
Gov't of Canada	May 1/2002	10.00	4,190,000.00	4,150,000.00	4,000,000.00
Gov't of Canada	May 1/2002	10.00	1,056,250.00	1,036,250.00	1,000,000.00
Gov't of Canada	May 1/2002	10.00	5,263,500.00	5,154,500.00	5,000,000.00
Gov't of Canada	May 1/2002	10.00	4,332,000.00	4,275,000.00	4,000,000.00
Gov't of Canada	Dec. 15/1995	10.75	557,500.00	493,750.00	500,000.00
Gov't of Canada	Dec. 15/1995	10.75	548,750.00	517,500.00	500,000.00
Gov't of Canada	Dec. 15/1995	10.75	548,750.00	545,625.00	500,000.00
Gov't of Canada	Mar. 1/1994	12.00	1,141,250.00	1,066,250.00	1,000,000.00
Gov't of Canada	Mar. 1/2005	12.00	531,000.00	403,312.50	450,000.00
Gov't of Canada	Mar. 1/2005	12.00	679,062.50	500,968.75	575,000.00
Gov't of Canada	Mar. 1/2005	12.00	1,214,312.50	1,067,500.00	1,000,000.00
Gov't of Canada	Sept. 1/2005	12.25	1,205,000.00	981,700.00	1,000,000.00
Gov't of Canada	Sept. 1/2005	12.25	1,243,750.00	1,085,000.00	1,000,000.00
Gov't of Canada	Dec. 15/1994	12.25	1,162,500.00	992,500.00	1,000,000.00
Province of Sask.	Dec. 3/1998	8.25	474,750.00	347,250.00	500,000.00
Province of Sask.	Dec. 3/1998	8.25	474,750.00	466,650.00	500,000.00
Province of Sask.	Sept. 17/1996	9.00	995,375.00	978,750.00	1,000,000.00
Province of Sask.	Dec. 11/1996	9.00	505,750.00	502,500.00	500,000.00
Province of Sask.	Jan. 15/1991	9.50	813,981.25	817,037.50	815,000.00
Province of Sask.	Apr. 16/1996	9.75	3,041,250.00	3,068,700.00	3,000,000.00
Province of Sask.	Dec. 21/1988	10.75	1,415,331.50	1,418,794.00	1,385,000.00
Province of Sask.	Dec. 1/2002	13.00	2,818,688.00	2,356,292.50	2,318,000.00
Sask. Prom. Note	Oct. 31/1986	11.75	5,000,000.00	5,000,000.00	5,000,000.00
Ontario Hydro	Dec. 15/1991	9.00	818,000.00	784,000.00	800,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,132,031.25	811,488.00	1,185,000.00
Ontario Hydro	Jan. 6/2004	9.25	2,047,943.75	1,755,775.00	2,100,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,393,275.00	1,343,450.00	1,385,000.00
Ontario Hydro	Oct. 5/2003	9.50	1,108,910.00	884,400.00	1,100,000.00
Ontario Hydro	June 27/2008	9.75	510,625.00	433,250.00	500,000.00
Ontario Hydro	May 18/2001	10.00	1,015,000.00	1,015,000.00	1,000,000.00
Ontario Hydro	May 21/2000	10.25	1,028,300.00	1,015,000.00	1,000,000.00
Nova Scotia Power	Aug. 10/1987	16.75	387,870.00	300,000.00	300,000.00
Nfld. Lab. Hydro	June 27/2003	10.00	993,750.00	973,900.00	1,000,000.00
Prov. of Nfld.	Apr. 6/2003	12.875	467,500.00	399,000.00	400,000.00
Prov. of Nfld.	Apr. 6/2003	12.875	642,812.50	519,750.00	550,000.00
Reg. Mun. of Halton	Dec. 1/1986	13.75	77,763.20	76,000.00	76,000.00
Reg. Mun. of Halton	Dec. 1/1987	13.75	122,774.40	116,000.00	116,000.00
Reg. Mun. of Halton	Dec. 1/1988	13.75	178,809.20	164,000.00	164,000.00
Alta. Energy Corp.	June 30/1996	10.50	521,800.00	500,000.00	500,000.00
Algoma Steel	May 15/1997	17.375	52,000.00	52,000.00	52,000.00
Alta. Gov't Tel	Mar. 26/1996	9.75	2,050,000.00	2,015,000.00	2,000,000.00

Schedule of Investment Transactions
Year Ended March 31, 1987

Bonds, Debentures and Coupons Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Bank of America	Mar. 31/1987	11.00	500,000.00	500,000.00	500,000.00
Bk. Mont. Mtg. Corp.	Sept. 8/1991	11.75	1,143,445.00	832,500.00	1,000,000.00
Bank of Nova Scotia	Mar. 27/1991	10.00	998,750.00	990,000.00	1,000,000.00
Bank of Nova Scotia	Mar. 27/1991	10.00	998,750.00	1,000,000.00	1,000,000.00
C.I.B.C.	Nov. 14/1988	10.25	1,029,900.00	1,009,900.00	1,000,000.00
C.I.B.C. Mtge. Corp.	Nov. 14/1988	10.25	1,029,900.00	1,000,000.00	1,000,000.00
Cdn. Industries Ltd.	Dec. 15/1993	12.375	390,600.00	349,125.00	350,000.00
Consumers Gas	Nov. 30/1996	17.75	19,000.00	19,000.00	19,000.00
Continental Bank	Mar. 1/1990	10.125	1,000,000.00	957,500.00	1,000,000.00
Dofasco	Nov. 1/2000	13.50	280,000.00	248,750.00	250,000.00
Ford Motor Credit	Oct. 1/1992	10.875	1,046,250.00	990,000.00	1,000,000.00
George Weston	June 15/2000	12.375	25,000.00	25,000.00	25,000.00
George Weston	Dec. 1/1997	14.125	25,000.00	25,000.00	25,000.00
Household Fin. Corp.	Feb. 12/1988	11.25	1,538,790.00	1,500,000.00	1,500,000.00
Household Fin. Corp.	Nov. 15/1988	12.25	512,930.00	500,000.00	500,000.00
Imasco	Nov. 20/1996	10.50	1,020,000.00	1,000,000.00	1,000,000.00
Inland Natural Gas	Nov. 15/1996	18.25	27,000.00	27,000.00	27,000.00
Loblaw Co.	Dec. 15/1990	12.50	1,492,400.00	1,377,750.00	1,400,000.00
Macmillan Bloedel	Jan. 15/1995	11.25	511,520.00	518,000.00	500,000.00
Macmillan Bloedel	Jan. 15/1995	11.25	518,000.00	506,500.00	500,000.00
Molson	Oct. 1/2000	8.50	310,973.23	231,250.00	250,000.00
Molson	Oct. 1/2000	8.50	68,047.91	53,000.00	50,000.00
Molson	Oct. 1/2000	8.50	424,326.74	336,000.00	300,000.00
Molson	Oct. 1/2000	8.50	351,469.67	277,500.00	250,000.00
Molson	Oct. 1/2000	8.50	1,379,682.45	1,080,000.00	1,000,000.00
Montreal Trust	May 23/1988	11.25	1,552,500.00	1,500,000.00	1,500,000.00
National Trust	Mar. 31/1987	17.00	500,000.00	500,000.00	500,000.00
Norcen Convertables	Dec. 15/2006	6.00	635,000.00	500,000.00	500,000.00
Norcen Energy Res.	Dec. 20/2003	13.25	54,000.00	54,000.00	54,000.00
Northern & Cen. Gas	Nov. 29/2002	14.00	21,000.00	21,000.00	21,000.00
Northern & Cen. Gas	Nov. 14/2003	13.50	45,000.00	45,000.00	45,000.00
Nova & Alta. Corp.	Feb. 15/1997	17.75	32,000.00	32,000.00	32,000.00
Pacific Northern Gas	May 1/1997	18.00	53,000.00	53,000.00	53,000.00
Pacific Wstrn Conv.	Dec. 30/1996	7.625	550,000.00	500,000.00	500,000.00
Pitney Bowes Can Ltd	July 3/1986	17.00	500,000.00	500,000.00	500,000.00
Producers Pipeline	June 30/1995	12.00	61,111.12	61,111.12	61,111.12
Royal Bank	Mar. 7/1988	10.50	1,007,800.00	999,100.00	1,000,000.00
Royal Bank	Dec. 9/1991	11.25	2,225,022.84	1,911,500.00	2,000,000.00
Royal Bank	Nov. 10/1987	10.00	1,011,200.00	1,000,000.00	1,000,000.00
Royal Trust	Nov. 10/1987	10.00	1,516,800.00	1,502,400.00	1,500,000.00
Roymor	July 31/1986	10.875	500,000.00	500,000.00	500,000.00
Roynat Inc.	July 29/1986	17.00	500,000.00	500,000.00	500,000.00
Stelco	Oct. 1/2000	13.50	72,000.00	72,000.00	72,000.00
T. Eaton Acc Co Ltd	May 15/1991	14.00	267,500.00	250,000.00	250,000.00
Toronto Eaton Centre	June 1/2000	12.00	7,000.00	7,000.00	7,000.00
Toronto Eaton Centre	June 30/2000	15.00	10,000.00	10,000.00	10,000.00
Trans Cd Pipelines	Dec. 6/1994	12.625	2,125,000.00	2,127,500.00	2,000,000.00
Trizec	Mar. 15/1995	11.875	532,500.00	483,750.00	500,000.00

Schedule of Investment Transactions
Year Ended March 31, 1987

Bonds, Debentures and Coupons Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Trizec	Mar. 15/1995	11.875	532,500.00	500,625.00	500,000.00
Trizec	Mar. 15/1995	11.875	1,065,000.00	1,006,250.00	1,000,000.00
Trizec	Mar. 15/1995	11.875	535,625.00	542,500.00	500,000.00
Trizec	Mar. 15/1995	11.875	2,183,500.00	2,107,500.00	2,000,000.00
West Kootenay Power	Apr. 1/1998	14.25	19,000.00	19,000.00	19,000.00
Westcoast Trans.	July 15/2000	12.25	21,000.00	21,000.00	21,000.00
			$94,682,221.51	$89,056,479.37	$89,412,111.12

Net increase in bonds, debentures and coupons at par value (110,600,316 – 89,412,111)	$ 21,188,205
Add: Bonds, debentures and coupons as at March 31, 1986 at par value	159,111,444
Total bonds, debentures and coupons (par value) March 31, 1987	$180,299,649
Less: Unamortized discount	2,266,844
Total bonds, debentures and coupons (at amortized cost) March 31, 1987	$178,032,805
Total bonds, debentures and coupons (at amortized cost) March 31, 1986	154,148,207
Net increase in bonds, debentures and coupons at amortized cost	$ 23,884,598

Short Term Investments	Purchased	Disposed	Net
Transactions during year	$166,927,061	$137,828,315	$29,098,746

Insured Mortgages at Cost — Transactions During the Fiscal Year 1986-87	Interest Rate %	Principal Purchased	Principal Reduction	Net
Morguard Trust — Albert Square	11.00	$	$ 24,983	$ (24,983)
Maritime Life — Forest Gardens	11.375	13,388		13,388
Bancorp Financial — E & E Hauling	11.625	10,350		10,350
T.D. Bank — Sunrise Gardens	13.00	5,373	951,438	(946,065)
H.A. Roberts — Regina Market Mall	14.00		3,554	(3,554)
Montrose Mtge. — Highfield Properties	12.00		587,174	(587,174)
Morguard Trust — Southgate Plaza	14.375	6,478		6,478
Co-op Trust — Hugh Garner	15.75		1,505	(1,505)
Co-op Trust — Briarview Co-op	18.75	1,469	1,657	(188)
Co-op Trust — Ann Marie Hill — Phase I	20.75		77	(77)
Co-op Trust — Ann Marie Hill — Phase II	19.50		285	(285)
Montrose Mtge. Corp. — Westfor	17.00	427	2,948	(2,521)
Bancorp Financial — Birch Housing	22.00		456,191	(456,191)
Co-op Trust — Frank Fairchild	21.50		213	(213)
London Life — Nepean, Ont.	14.00		8,862	(8,862)
Morguard Inv. Ltd. — Parkview Square	13.50		14,744	(14,744)
Montrose Mtge. — Rivergate Estates	14.13		1,514	(1,514)
T.D. Bank — Denand Investments	14.25	466	2,186	(1,720)

Schedule of Investment Transactions
Year Ended March 31, 1987

Insured Mortgages at Cost — Transactions During the Fiscal Year 1986-87	Interest Rate %	Principal Purchased	Principal Reduction	Net
Montrose Mtge. — Evergreen Place	14.50	802	2,128	(1,326)
Montrose Mtge. — Pines of Normanview	13.40	321	4,241	(3,920)
Great West Life — Wheatland Plaza	13.875		672	(672)
Morguard Trust — Kipling Towers	14.75		48,568	(48,568)
Morguard Trust — Glendale Lodge	9.75		13,810	(13,810)
Morguard Trust — Hyde Park I	13.375		33,355	(33,355)
Morguard Trust — Hyde Park II	14.75		8,006	(8,006)
Royal Trust — Surrey Place	10.25		21,756	(21,756)
Montrose Mtge. — Parkview Office	11.50		5,794	(5,794)
Western Ltd. — Lakewood Plaza	11.625	60,000	5,690	54,310
Morguard Trust — Parkside	9.75		55,529	(55,529)
National Trust — Jaywell	11.25	750,000	4,983	745,017
Morguard Trust — Eastview Square	11.25	355,273	9,004	346,269
Morguard Trust — Gene's Ltd.	11.125	1,000,000	1,303	998,697
Morguard Trust — Nova Scotia Hsg.	11.125	385,656		385,656
Morguard Trust — Derochers Develop.	10.75	325,600		325,600
Richon Holdings — Comox Apts	18.720		77,306	(77,306)
		$2,915,604	$2,349,476	$566,127

Real Estate Equity — Transactions for the Fiscal Year 1986-87	Purchased	Disposed	Net
Pension Fund Realty — Development Series I	$	$ 680	$ (680)
Great West Life — Parkview Properties	155,515		155,515
Great West Life — Crestwood Industrial Estates	14,239		14,239
Sask. Pen Properties — Bank of Montreal Lse.		808,000	(808,000)
Sask. Pen Properties — Cornwall Parkade		110,000	(110,000)
Sask. Pen Properties — Royal Bank Series		535,333	(535,333)
Sask. Pen Properties — Victoria Plaza East		143,570	(143,570)
Sask. Pen Properties — Victoria Plaza West		1,344,000	(1,344,000)
Sask. Pen Properties — Series B		78,000	(78,000)
Sask. Pen Properties — Voting Class	2,547,088		2,547,088
H. A. Roberts — South Broad Plaza		4,140	(4,140)
Windfield Developments — Victoria Ind. Place	4,053		4,053
Pension Fund Realty — Albert & Bank St.	413,601		413,601
High PF Mgr. Services — Viking Rideau		1,207	(1,207)
Pension Fund Realty — Crossroads Shopping Centre	428,301		428,301
Pension Fund Realty — 1000 Viking Way Series	600,000		600,000
Pension Fund Realty — Town & Country Shopping Centre	800,000		800,000
Pension Fund Realty — Coopers Ave. F.P. Series	500,000		500,000
Pension Fund Realty — Development Series I		11,140	(11,140)
Highfield Properties — Denton Centre	585,536		585,536
	$6,048,333	$3,036,070	$3,012,263

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
Alta. Energy Corp.	80,000	$ 884,800	$	$ 884,800
Alta. Energy Corp.	80,000		884,800	(884,800)
Alcan Aluminum Ltd.	57,500	2,388,175		2,388,175
Alcan Aluminum Ltd.	57,500		2,367,126	(2,367,126)
Algo Group Units	30,000	219,600		219,600
Algo Group Warrants	15,000	15,000		15,000
Algo Group Inc.	28,800	232,704		232,704
Asamera Inc.	85,000	726,750		726,750
Asamera Inc.	85,000		726,750	(726,750)
B. C. Telephone	63,700	1,731,884		1,731,884
B. C. Telephone	58,700		1,595,943	(1,595,943)
B. P. Canada	4,800	175,800		175,800
Bank of Montreal — N. T. Financial	56,500	600,313		600,313
Bank of Montreal	15,948	542,232		542,232
Bank of Nova Scotia	70,000	967,050		967,050
Bank of Nova Scotia	120,000		1,599,248	(1,599,248)
Baton Broadcasting	70,000	740,600		740,600
Baton Broadcasting	70,000		740,600	(740,600)
Belkin Packaging	80,000	1,474,750		1,474,750
Belkin Packaging	39,100		719,783	(719,783)
Bell Canada Enterprises	33,900	1,312,304		1,312,304
Bell Canada Enterprises	33,900		1,312,304	(1,312,304)
Brascan C1. A.	7,000	175,000		175,000
Bruncor Inc.	80,000	1,365,600		1,365,600
Bruncor Inc.	80,000		1,365,600	(1,365,600)
C.A.E. Industries	11,000	110,330		110,330
C.I.L. Inc.	33,700	980,333		980,333
C.I.L. Inc.	33,700		980,333	(980,333)
CN NT Equity	51,000	439,875		439,875
Cambior Inc.	100,000	1,000,000		1,000,000
Cambior Inc.	100,000		1,000,000	(1,000,000)
Camco	60,000	1,309,250		1,309,250
Camco	41,900		913,187	(913,187)
Campbell Red Lake Mines	57,000	1,140,000		1,140,000
Campbell Red Lake Mines	50,000		1,000,000	(1,000,000)
Canada Cement	5,000	80,400		80,400
Canadian Imperial Bank of Commerce	242,400	4,369,704		4,369,704
Canadian Imperial Bank of Commerce	269,000		4,667,655	(4,667,655)
Canadian Pacific Ltd.	160,000	2,451,200		2,451,200
Canadian Pacific Ltd.	160,000		2,472,188	(2,472,188)
Consumers Distributing B	110,000	537,400		537,400
Crownx A	89,000	1,072,450		1,072,450
Crownx A	80,000		964,000	(964,000)
Dofasco Common	700	20,969		20,969
Dofasco Pfd.	28,000		910,000	(910,000)
Dome Mines	16,500	198,000		198,000
Domtar	6,600	207,075		207,075
Dylex	7,000	122,920		122,920
Echo Bay Mines	7,600	164,731		164,731

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
Enerplus Resources Corp.	100,000	1,000,000		1,000,000
Falconbridge Ltd.	11,000	185,625		185,625
First Australia Prime	101,000	1,067,570		1,067,570
First Australia Prime	31,700		335,069	(335,069)
Genois "A"	65,000	658,000		658,000
Genois "A"	13,500		253,800	(253,800)
Genstar Corp.	6,000		189,750	(189,750)
Goldcorp Inv.	73,800		628,570	(628,570)
Grafton Group A	50,000	778,500		778,500
Grafton Group A	50,000		778,500	(778,500)
Great Lakes Investment		536		536
Great West Life	15,000	309,375		309,375
Great West Life	15,000		309,375	(309,375)
Guardian Pacific Rim	80,000	1,024,800		1,024,800
Guardian Pacific Rim	30,000		384,300	(384,300)
Hees International	3,000	93,750		93,750
Hiram Walker	5,500		183,465	(183,465)
Imasco Ltd.	44,000	1,467,993		1,467,993
Imasco Ltd.	34,000		1,103,006	(1,103,006)
Inland Natural Gas	90,000	1,161,000		1,161,000
Innopac Ltd.	50,000	653,500		653,500
Int'l Thomson Organization	26,900	321,895		321,895
Interprovincial Pipeline	45,200	1,976,304		1,976,304
Interprovincial Pipeline	40,700		1,779,511	(1,779,511)
Investors Group	40,000	720,000		720,000
Investors Group	40,000		720,000	(720,000)
Iona Appliances	10,000	64,250		64,250
John Forsythe	100,000	775,000		775 000
John Forsythe Warrants	50,000	50,000		50,000
John Labatt	40,000	902,800		902,800
John Labatt	40,000		902,800	(902,800)
Lac Minerals	7,700	172,272		172,272
Laidlaw "B"	16,600	230,922		230,922
Laidlaw Conv. PFD.	35,000	700,000		700,000
Lonvest	52,500	1,266,700		1,266,700
Lonvest	50,000		1,206,381	(1,206,381)
Lumonics Inc.	35,000	299,950		299,950
Maclean Hunter	15,000	280,890		280,890
MacMillan Bloedel	5,500	170,830		170,830
Moffatt Communications	65,000	987,675		987,675
Molson Companies	50,000	1,229,250		1,229,250
Moore Corporation	30,000	880,500		880,500
Moore Corporation	60,000		1,272,102	(1,272,102)
National Bank of Canada	13,000	126,270		126,270
Nova Corp. "A"	275,000	1,303,500		1,303,500
Nova Corp. "A"	288,000		1,510,485	(1,510,485)
Oshawa Group A	50,000	940,500		940,500
Oshawa Group A	50,000		940,500	(940,500)

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
Oshawa Group Limited	4,500	88,582		88,582
Pacific Western Airlines	8,500		91,385	(91,385)
Pagurian Corp.	7,000	108,990		108,990
Pencora Petroleum Ltd.	610	1,039,345		1,039,345
Placer Developments	63,100	2,042,785		2,042,785
Placer Developments	93,900		2,121,793	(2,121,793)
Placer Development Warrants	6,750	27,000		27,000
Placer Development Warrants	6,750		27,000	(27,000)
Power Corp.	8,000	140,280		140,280
Power Financial	60,300	1,217,746		1,217,746
Power Financial	60,300		1,217,746	(1,217,746)
RT & CC Investments Corp.	750,000	525,000		525,000
Reff Incorporated	70,000	735,000		735,000
Reff Incorporated	70,000		735,000	(735,000)
Rio Algom Ltd.	160,000	3,451,200		3,451,200
Rio Algom Ltd.	60,000		1,369,200	(1,369,200)
Royal Bank of Canada	176,666	5,803,050		5,803,050
Royal Bank of Canada	130,000		4,259,055	(4,259,055)
Ry Nt Financial	65,000	601,250		601,250
Scott's Hospitality	8,400	109,900		109,900
Sears Canada	220,000	2,365,000		2,365,000
Sears Canada	220,000		2,365,000	(2,365,000)
Shell Canada "A"	30,000		767,500	(767,500)
Southam Inc.	47,800	1,033,352		1,033,352
Southam Inc.	37,800		817,170	(817,170)
Teck Conv. PFD.	4,200	531,300		531,300
Thomson Newspapers	10,000	316,950		316,950
Toronto Dominion Bank	120,000	2,733,600		2,733,600
Toronto Dominion Bank	120,000		2,347,546	(2,347,546)
Torstar Ltd. "B"	50,000	1,354,000		1,354,000
Torstar Ltd. "B"	50,000		1,354,000	(1,354,000)
Trans Canada Pipelines	73,000	1,177,125		1,177,125
Trans Canada Pipelines	60,000		978,600	(978,600)
Trans Canada Pipelines Warrants	36,500	45,625		45,625
Trans Canada Pipelines Warrants	36,500		45,625	(45,625)
Tree Island Steel	80,000	885,600		885,600
Trilon Financial Corp.	28,000		631,847	(631,847)
West Fraser Timber	50,000	941,000		941,000
West Fraser Timber	50,000		941,000	(941,000)
Western International Communications	30,000	297,600		297,600
Woodwards Ltd.	56,297	389,701		389,701
Woodwards Ltd.	56,297		389,701	(389,701)
Air Wisconsin Services	70,000	995,913		995,913
Air Wisconsin Services	70,000		995,913	(995,913)
Alexander & Alexander	30,000	1,197,766		1,197,766
Alexander & Alexander	30,000		1,197,766	(1,197,766)
Allied Signal	45,000	2,467,477		2,467,477
Allied Signal	45,000		2,467,477	(2,467,477)

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
American Capital Mgmt.	57,000	1,330,252		1,330,252
American Capital Mgmt.	57,000		1,330,252	(1,330,252)
American General Corp.	40,000	2,065,068		2,065,068
American General Corp.	40,000		2,065,068	(2,065,068)
American Medical Intl. Inc.	50,000	1,441,436		1,441,436
American Medical Intl. Inc.	77,900		2,254,605	(2,254,605)
Archer, Daniels, Midland	349,100	8,881,667		8,881,667
Archer, Daniels, Midland	349,100		8,881,667	(8,881,667)
Aristech Chemical Corp.	50,000	1,226,969		1,226,969
Aristech Chemical Corp.	50,000		1,226,969	(1,226,969)
B.A.T. Industries	429,800	3,641,316		3,641,316
B.A.T. Industries	429,800		3,641,316	(3,641,316)
Bear Stearns	45,000	1,214,887		1,214,887
Bear Stearns	45,000		1,214,887	(1,214,887)
Bell & Howell	25,000	1,293,656		1,293,656
Bell & Howell	25,000		1,293,656	(1,293,656)
Beneficial Corp.	20,000	1,275,890		1,275,890
Beneficial Corp.	20,000		1,275,890	(1,275,890)
Bernard Chaus Inc.	20,900	427,486		427,486
Boeing Co.	20,000	1,396,585		1,396,585
Boeing Co.	20,000		1,396,585	(1,396,585)
Burlington Northern	15,000	1,396,745		1,396,745
Burlington Northern	15,000		1,396,745	(1,396,745)
C.S.X. Corp.	60,000	2,332,655		2,332,655
C.S.X. Corp.	60,000		2,332,655	(2,332,655)
Cadbury Schweppes	90,000	3,097,318		3,097,318
Cadbury Schweppes	90,000		3,097,318	(3,097,318)
Cheseborough Ponds	4,300		248,971	(248,971)
Chi-Chi's Inc.	120,000	1,125,764		1,125,764
Chi-Chi's Inc.	100,000		938,137	(938,137)
Church's Fried Chicken	50,000	1,118,659		1,118,659
Church's Fried Chicken	50,000		1,118,659	(1,118,659)
Cigna Corp.	73,000	6,046,048		6,046,048
Cigna Corp.	73,000		6,046,048	(6,046,048)
Coastal Corp.	40,000	1,637,384		1,637,384
Coastal Corp.	40,000		1,637,384	(1,637,384)
Aon Corp.	20,000	1,485,966		1,485,966
Co-opervision Inc.	50,000	1,631,582		1,631,582
Co-opervision Inc.	50,000		1,631,582	(1,631,582)
Dekalb Corp.	50,000	1,412,655		1,412,655
Dekalb Corp.	50,000		1,412,655	(1,412,655)
Delta Airlines	58,000	3,259,337		3,259,337
Delta Airlines	58,000		3,259,337	(3,259,337)
Diebold Inc.	15,200	759,558		759,558
Diebold Inc.	15,200		759,558	(759,558)
E. F. Hutton Inc.	22,000	1,184,091		1,184,091
E. F. Hutton Inc.	22,000		1,184,091	(1,184,091)
E. G. & G. Inc.	60,700	2,796,214		2,796,214

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
E. G. & G. Inc.	60,700		2,796,214	(2,796,214)
Edison Brothers	20,000	959,752		969,752
Edison Brothers	20,000		959,752	(959,752)
Equitable Resources	25,000		1,321,502	(1,321,502)
Erbamont Inc.	30,000	878,947		878,947
Erbamont Inc.	30,000		878,947	(878,947)
Figgie Int'l "A"	37,000	2,209,415		2,209,415
Figgie Int'l "A"	37,000		2,209,415	(2,209,415)
Fuji Photo Film Co.	50,000		1,421,156	(1,421,156)
Gencorp	13,000	1,234,990		1,234,990
Gencorp	13,000		1,234,990	(1,234,990)
Georgia Gulf Corp.	50,000	1,343,891		1,343,891
Georgia Gulf Corp.	50,000		1,343,891	(1,343,891)
Gibson Greetings	38,000	808,890		808,890
Gibson Greetings	38,000		808,890	(808,890)
Gould Inc.	35,000	1,312,494		1,312,494
Gould Inc.	35,000		1,312,494	(1,312,494)
Hammermill Paper	30,000	1,720,475		1,720,475
Hammermill Paper	30,000		1,720,475	(1,720,475)
Harris Corp.	25,000	1,074,125		1,074,125
Harris Corp.	56,000		2,290,586	(2,290,586)
Holiday Corp.	15,500	1,232,511		1,232,511
Holiday Corp.	15,500		1,232,511	(1,232,511)
Homestake Mining	26,700	794,929		794,929
Homestake Mining	26,700		794,929	(794,929)
Honda Motor Corp.	15,000		1,218,439	(1,218,439)
Honeywell	40,000	3,942,270		3,942,270
Honeywell	40,000		3,942,270	(3,942,270)
Household International Inc.	77,000	4,344,504		4,344,504
Household International Inc.	77,000		4,344,504	(4,344,504)
Humana Inc.	93,000	3,193,342		3,193,342
Humana Inc.	93,000		3,193,342	(3,193,342)
Humana Inc.	33,000		1,354,266	(1,354,266)
I. C. Industries	60,000	1,985,488		1,985,488
I. C. Industries	60,000		1,985,488	(1,985,488)
I. U. International Corp.	30,400	571,882		571,882
I. U. International Corp.	30,400		571,882	(571,882)
Ideal School Supply Corp.	30,000	414,060		414,060
Ideal School Supply Corp.	30,000		414,060	(414,060)
Interco Incorporated	30,000	1,541,607		1,541,607
Interco Incorporated	30,000		1,541,607	(1,541,607)
J. C. Penny	14,900	1,581,424		1,581,424
J. C. Penny	14,900		1,581,424	(1,581,424)
Jim Walter Corp.	20,000	1,210,455		1,210,455
Jim Walter Corp.	20,000		1,210,455	(1,210,455)
K-Mart Corp.	53,000	3,400,491		3,400,491
K-Mart Corp.	53,000		3,400,491	(3,400,491)
Kidde & Co.	30,000	1,396,927		1,396,927

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
Kidde & Co.	60,000		2,802,467	(2,802,467)
Lincoln National Corp.	70,000	4,619,536		4,619,536
Lincoln National Corp.	50,000		3,277,009	(3,277,009)
Litton Industries	15,000	1,605,047		1,605,047
Litton Industries	15,000		1,605,047	(1,605,047)
Lockheed Corp.	71,600	4,941,981		4,941,981
Lockheed Corp.	21,600		1,496,135	(1,496,135)
Lowe's Companies	35,000	1,160,717		1,160,717
Lowe's Companies	35,000		1,160,717	(1,160,717)
M.C.A. Inc.	20,000	1,294,629		1,294,629
M.C.A. Inc.	20,000		1,294,629	(1,294,629)
M.E.I. Corp.	17,000		915,518	(915,518)
McDonnel Douglas	15,000	1,649,509		1,649,509
McDonnel Douglas	15,000		1,649,509	(1,649,509)
Martin Marietta	25,000	1,384,341		1,384,341
Martin Marietta	25,000		1,384,341	(1,384,341)
Meredith Corp.	30,000	1,392,227		1,392,227
Meredith Corp.	15,000		696,113	(696,113)
Merrill Lynch & Co.	40,000	1,921,090		1,921,090
Merrill Lynch & Co.	40,000		1,921,090	(1,921,090)
Monsanto Co.	20,000	2,084,030		2,084,030
Monsanto Co.	20,000		2,084,030	(2,084,030)
Morgan Stanley	27,700	2,559,868		2,559,868
Morrison Knudsen Corp.	23,300	1,393,535		1,393,535
Morrison Knudsen Corp.	23,300		1,393,535	(1,393,535)
N.C.R. Corp.	15,000	843,182		843,182
N.C.R. Corp.	15,000		843,182	(843,182)
Norton Co.	58,800	3,016,992		3,016,992
Norton Co.	58,800		3,016,992	(3,016,992)
Ogden Corp.	31,000	1,246,902		1,246,902
Ogden Corp.	31,000		1,246,902	(1,246,902)
Paine Webber Group	40,000	1,574,959		1,574,959
Paine Webber Group	40,000		1,574,959	(1,574,959)
Pen Oil Co.	20,000	1,542,626		1,542,626
Pen Oil Co.	20,000		1,542,626	(1,542,626)
Rexnord	57,700	1,163,256		1,163,256
Rexnord	57,700		1,163,256	(1,163,256)
Sears Roebuck	20,000	1,222,716		1,222,716
Sears Roebuck	20,000		1,222,716	(1,222,716)
Shoney's South	20,000	407,328		407,328
Southwestern Airlines	95,000	2,770,200		2,770,200
Southwestern Airlines	95,000		2,770,200	(2,770,200)
Staley Continental Inc.	178,300	6,320,164		6,320,164
Staley Continental Inc.	122,900		4,302,509	(4,302,509)
Standard Brands Paint	30,000	900,752		900,752
Standard Brands Paint	30,000		900,752	(900,752)
Sterling Drugs	20,000	1,188,550		1,188,550
Sterling Drugs	20,000		1,188,550	(1,188,550)

Schedule of Investment Transactions
Year Ended March 31, 1987

Corporate Shares at Cost — Transactions During the Fiscal Year 1986-87	Shares	Purchased	Disposed	Net
T. W. Services	50,000	1,027,277		1,027,277
T. W. Services	50,000		1,027,277	(1,027,277)
Telerate Inc.	46,100		1,118,363	(1,118,363)
Telerate Inc.	110,000	2,766,391		2,766,391
Telerate Inc.	110,000		2,766,391	(2,766,391)
Textron	30,000	2,167,199		2,167,199
Textron	30,000		2,167,199	(2,167,199)
Torchmark Corp.	105,000	3,833,060		3,833,060
Torchmark Corp.	105,000		3,833,060	(3,833,060)
Transamerica Corp.	50,000	2,307,259		2,307,259
Transco Energy	20,000	1,175,615		1,175,615
Transco Energy	20,000		1,175,615	(1,175,615)
Transworld Corp.	25,000	1,509,640		1,509,640
Transworld Corp.	25,000		1,509,640	(1,509,640)
Travellers Corp.	80,000	5,422,712		5,422,712
Travellers Corp.	80,000		5,422,712	(5,422,712)
U.A.L. Inc.	40,000	2,876,306		2,876,306
U.A.L. Inc.	40,000		2,876,306	(2,876,306)
U.G.I. Corp.	67,200	2,432,245		2,432,245
U.G.I. Corp.	67,200		2,432,245	(2,432,245)
U.S. Air Group	25,000	1,042,179		1,042,179
U.S. Air Group	25,000		1,042,179	(1,042,179)
Veeco Instruments	50,000	1,221,721		1,221,721
Veeco Instruments	50,000		1,221,721	(1,221,721)
Wang Labs "B"	40,000	941,581		941,581
Wang Labs "B"	40,000		941,581	(941,581)
Warner Lambert Inc.	18,700	1,471,206		1,471,206
Warner Lambert Inc.	18,700		1,471,206	(1,471,206)
AMR Corp.	20,000	1,487,629		1,487,629
Totals		$252,697,707	$227,023,749	$25,673,958

Summary of Investment Transactions (At Cost)	1986-87	1985-86
Bonds, Debentures and Coupons (at amortized cost)	$ 23,884,598	$ 39,906,446
Insured Mortgages	566,127	2,317,911
Corporate Shares	25,673,958	(1,712,623)
Real Estate Equity	3,012,263	2,881,786
Short Term	29,098,746	27,717,771
Total Investment Transactions — Net Increase	$ 82,235,692	$ 71,111,291
Investments Beginning of Fiscal Year (at cost)	268,316,038	197,204,747
Investments End of Fiscal Year (at cost)	$350,551,730	$268,316,038

Public Employees Superannuation Supervisory Board

Public Employees (Government Contributory) Superannuation Fund

Financial Statements

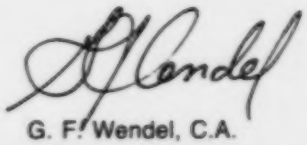
For the Year Ended March 31, 1987

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Superannuation Fund as at March 31, 1987, and the statements of changes in members' accumulated balances, and changes in unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
December 13, 1989

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Financial Position

As at March 31

	1987	1986
Assets		
Contributions and transfers receivable	$ 1,033,488	$ 2,698,664
Accounts receivable — Public Employees (Government Contributory) Annuity Fund	61,737	—
Accrued investment income	6,757,298	5,931,695
Investments (Note 3)	350,551,730	268,316,038
Unamortized (gain)/loss on investments sold (net)	(9,309,996)	(4,706,524)
	$349,094,257	$272,239,873
Liabilities and Fund Balance		
Liabilities:		
Bank indebtedness, including outstanding cheques	$ 153,992	$ 1,042,081
Refunds, transfers and other payables	988,549	311,805
Deferred revenue	22,800	23,800
Members' accumulated balances (Statement 2) (Note 4)	347,268,747	269,434,713
Payable to Public Employees (Government Contributory) Annuity Fund (Note 5)	—	680,932
	348,434,088	271,493,331
Fund Balance:		
Unallocated members' fund balance (Statement 3)	660,169	746,542
	$349,094,257	$272,239,873

(See accompanying notes)

Statement 2

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Members' Accumulated Balances

Year Ended March 31

	1987	1986
Members' accumulated balances, beginning of year	$269,434,713	$203,219,333
Add:		
Employee and employer current contributions	38,750,999	35,720,890
Reciprocal transfers in	1,316,220	1,301,706
Earnings allocated to members (Statement 3)	41,309,685	32,789,916
	350,811,617	273,031,845
Deduct:		
Termination refunds	660,218	993,070
Lump sum retirement benefits	849	1,034
Death benefits	240,722	97,761
Transfers to Public Employees (Government Contributory) Annuity Fund	1,254,591	1,216,407
Reciprocal transfers out	754,269	1,288,860
Annuity contract purchases — private	632,221	—
	$ 3,542,870	$ 3,597,132
Members' accumulated balances, end of year (Statement 1)	$347,268,747	$269,434,713

(See accompanying notes)

Statement 3

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Unallocated Fund Balance

Year Ended March 31

	1987	1986
Unallocated fund balance, beginning of year	$ 746,542	$ 7,194
Add:		
Investment earnings	41,225,619	34,065,559
	41,972,161	34,072,753
Deduct:		
Allocation of earnings to:		
— Members' accumulated balances (Statement 2)	$41,309,685	$32,789,916
— Annuity underwriting operations (Note 5)	—	236,524
— Special allocation re transfer to Annuity Fund (Note 5)	—	299,771
— Interest on transfer to Public Employees (Government Contributory) Annuity Fund	2,307	—
	41,311,992	33,326,211
Unallocated fund balance, end of year (Statement 1)	$ 660,169	$ 746,542

(See accompanying notes)

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Notes to Financial Statements

March 31, 1987

1. Description of Plan

The Superannuation (Supplementary Provisions) Act established the Public Employees (Government Contributory) Superannuation Plan effective October 1, 1977. Specified contributions and interest earnings thereon are accumulated for each contributor in the fund for the ultimate purpose of providing for a guaranteed life annuity for the contributor at the time of retirement.

Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. On March 31, 1986 all annuity underwriting activities administered by the Board were transferred to the Public Employees (Government Contributory) Annuity Fund (Note 5).

2. Significant Accounting Policies

a) **Investments**
The Fund records all investment transactions at cost.

Premiums and discounts on the acquisition of bonds, debentures and coupons are amortized to earnings over the term of the security.

Gains or losses on the disposal of fixed income securities are deferred and amortized over the remaining term of the security sold.

b) **Reciprocal Transfers**
Reciprocal agreements have been signed with other pension plans, setting forth conditions and procedures for the transfer of an individual's accumulated contributions and earnings to or from another pension plan following a change in employment. Such transfers into (out of) the Fund are recorded as receivable (payable) at the date on which an authorization for the transfer of funds is signed by the employee, provided that information is available to allow calculation of the amount to be transferred.

c) **Annuity Underwriting Operations**
For those members who have elected to have their retirement annuities underwritten by the plan, the members' accumulated balances at the date of retirement are transferred to the annuity underwriting operations of the Public Employees (Government Contributory) Annuity Fund.

3. Investments

	1987		1986	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Government of Canada	$ 20,800,000	$ 22,967,688	$ 28,325,000	$ 31,399,356
Province of Saskatchewan	28,740,000	31,568,948	27,280,000	29,558,203
Other provinces and provincial guaranteed	24,810,000	26,820,686	18,410,000	19,707,420
Corporate	96,451,649	104,621,719	77,278,444	84,809,416
Municipal	9,498,000	11,691,549	7,818,000	9,395,050
Total bonds and debentures at par value	180,299,649		159,111,444	
Less unamortized discounts	2,266,844		4,963,237	
Total bonds and debentures at amortized cost	178,032,805	197,670,590	154,148,207	174,869,445
Mortgages	22,576,393	23,145,124	22,010,265	22,247,252
Corporate shares	51,393,468	57,368,123	25,719,511	28,583,757
Short term investments	85,535,747	85,535,747	56,437,001	56,437,001
	337,538,413	$363,719,584	258,314,984	$282,137,455
Real estate equities	13,013,317	*	10,001,054	*
Total investments	$350,551,730		$268,316,038	

*No independent valuation of the real estate equities has been conducted as at March 31, 1987. As a result, market values have not been included in this schedule.

4. Members' Accumulated Balances

This item represents the aggregate of employer and employee contributions together with proportionate earnings of the Fund as allocated at each fiscal year-end. Proportionate earnings are also allocated during the year in respect of termination refunds and other benefits based on the rate prevailing at the previous fiscal year-end.

An amendment to the Superannuation (Supplementary Provisions) Act established revised vesting provisions for the Plan for contributors who commenced employment on or after August 1, 1982. For these persons, all contributions and earnings thereon will be permanently vested and locked in when the contributor reaches age 25 with one year of service, or at the completion of one year of service if over the age of 25 years at commencement of employment. For persons who commenced employment prior to August 1, 1982, all contributions and earnings thereon will continue to be permanently vested and locked in upon completion of three years' participation in the Plan.

The approximate portion of the accumulated balances which are vested at the respective fiscal year ends is summarized below:

	1987 (000's)	1986 (000's)
Amount vested	$339,650	$262,993
Amount not vested	7,619	6,442
Total members' accumulated balances	$347,269	$269,435

5. Establishment of the Public Employees (Government Contributory) Annuity Fund

a) **Discontinuance of Annuity Underwriting Operations**

The Public Employees (Government Contributory) Annuity Fund was established under provisions of an amendment to the Superannuation (Supplementary Provisions) Act, assented to on June 19, 1985. The Annuity Fund was established to create a separate fund for the annuity underwriting operations administered by the Supervisory Board of the Public Employees (Government Contributory) Superannuation Plan.

Annuity operations commenced in the Annuity Fund April 1, 1986 following the transfer of assets on March 31, 1986.

b) **Transfer of Assets — Establishment of the Public Employees (Government Contributory) Annuity Fund**

Prior to the establishment of the Annuity Fund, all amounts used to provide for annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan were included in the total assets of the Public Employees (Government Contributory) Superannuation Fund. As such, there were no specifically identifiable assets supporting the annuity contracts underwritten since the Plan's inception. Asset values to be transferred to the Public Employees (Government Contributory) Annuity Fund had not been determined as at March 31, 1986, consequently the Supervisory Board approved a cash transfer of $2,000,000 to the Annuity Fund on that date. The Supervisory Board subsequently approved the total transfer value from the Public Employees (Government Contributory) Superannuation Fund to the Annuity Fund at March 31, 1986.

The transfer amount was established by the Board based on a deemed market value equivalent of assets to which the Annuity Fund should have been entitled had a separate fund been established since the inception of the annuity underwriting operations.

6. Commitments

Total investment commitments at March 31, 1987 amounted to approximately $3,050,000.

7. Related Party Transactions

In accordance with Subsection 39(4) of The Superannuation (Supplementary Provisions) Act all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

8. Subsequent Events

a) **Administration Costs**

On June 28, 1988 subsection 39(4) of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988, establishes that sums required for the purpose of administering The Public Employees (Government Contributory) Superannuation Fund shall be a charge on and paid out of that Fund. The annual operating expenditures for the 1988-89 year associated with the Fund's administration are estimated to be $664,000 and will be paid to the Public Employees Benefits Agency Revolving Fund.

b) **Investment Administration and Management Fees**

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1989 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 also authorizes the Board to enter into any agreement or engage any services considered necessary for the purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are

payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchase of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan. The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging the Public Employees (Government Contributory) Superannuation Fund for its services from that date.

Public Employees (Government Contributory) Annuity Fund

Financial Statements

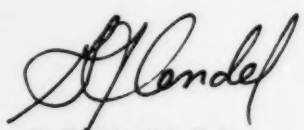
For the Year Ended March 31, 1987

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Annuity Fund as at March 31, 1987 and the statement of annuity fund operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
December 13, 1989

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees (Government Contributory) Annuity Fund
Statement of Financial Position

As at March 31

	1987	1986
Assets		
Cash	$ 7,738	$2,000,000
Accounts receivable — Public Employees (Government Contributory) Superannuation Fund (Notes 3, 4)	—	680,932
Members accumulated contributions receivable	87,943	—
Accrued investment income	56,841	—
Investments (Note 5)	3,754,418	—
	$3,906,940	$2,680,932
Liabilities and Deficit		
Liabilities:		
Accounts payable — Public Employees (Government Contributory) Superannuation Fund	$ 61,737	$ —
Accumulated provision for annuities payable (Note 6)	3,988,106	2,660,628
	4,049,843	2,660,628
(Fund Deficit)/Fund Surplus (Statement 2)(Note 3)	(142,903)	20,304
	$3,906,940	$2,680,932

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Annuity Fund
Statement of Annuity Fund Operations

Year Ended March 31

	1987	1986
Revenues:		
Transfer of accumulated balances of members electing to have retirement annuities underwritten by the Plan	$1,254,591	$ —
Investment income	278,123	—
Total Revenue	1,532,714	—
Expenses:		
Interest on final payment to Public Employees (Government Contributory) Superannuation Fund	4,919	—
Annuities paid	363,524	—
Change in accumulated provision for annuities payable (Note 6)	1,327,478	—
Total Expenses	1,695,921	—
Net (Loss) Income	(163,207)	—
Fund surplus — beginning of year	20,304	—
(Fund Deficit)/Fund Surplus — end of year (Statement 1)	$ (142,903)	$ —

(See accompanying notes)

Public Employees (Government Contributory) Annuity Fund
Notes to Financial Statements

March 31, 1987

1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Accumulated Provision for Annuities Payable**

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

c) **Investments**

Investments are recorded at cost. Premiums and discounts on the acquisition of bonds and debentures are amortized to earnings over the term of the security. Gains or losses realized upon the sale of investments are recognized in the period of disposition.

2. Description of Fund

The Public Employees (Government Contributory) Annuity Fund (Annuity Fund) was established under provisions of an amendment to the Superannuation (Supplementary Provisions) Act, assented to on June 19, 1985. Annuity activities of the Supervisory Board were conducted through the Public Employees (Government Contributory) Superannuation Fund (PESF) until March 31, 1986 when assets were transferred to the Annuity Fund to allow for the separate administration of annuity activities (see note 3). Accordingly, the results of all annuity underwriting activities for the year ended March 31, 1986 and prior years of the Public Employees (Government Contributory) Superannuation Plan are presented in the financial statements of the Public Employees (Government Contributory) Superannuation Fund.

The Annuity Fund was established to create a separate fund for the annuity underwriting operations administered by the Supervisory Board of the Public Employees (Government Contributory) Superannuation Plan. Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. Annuity payments are provided by the amount standing to the employee's credit in the Public Employees (Government Contributory) Superannuation Fund at the date of retirement. Transfers into the Annuity Fund are from those employees who have elected to receive an annuity from the Supervisory Board. Annuity payments out of the Fund are determined and administered in accordance with regulations issued pursuant to subsection 44(1) of The Superannuation (Supplementary Provisions) Act.

3. Transfer of Assets — Establishment of the Public Employees (Government Contributory) Annuity Fund

As discussed in Note 2, prior to the establishment of the Annuity Fund, all amounts used to provide for annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan were included in the total assets of the Public Employees (Government Contributory) Superannuation Fund. As such, there were no specifically identifiable assets supporting the annuity contracts underwritten since the Plan's inception. Asset values to be transferred from the Public Employees (Government Contributory) Superannuation Fund had not been determined as at March 31, 1986, consequently the Supervisory Board approved a cash transfer of $2,000,000 to the Annuity Fund on that date. The Supervisory Board subsequently approved the total transfer value from the Public Employees (Government Contributory) Superannuation Fund to the Annuity Fund to be $2,680,932 as at March 31, 1986.

The transfer amount was established by the Board based on a deemed market value equivalent of assets to which the Annuity Fund should have been entitled had a separate fund been established since the inception of the annuity underwriting operations. The amount transferred at March 31, 1986 exceeds the accumulated provision for annuities payable at that date by $20,304 and this difference is reflected in the financial statements as a beginning fund surplus.

4. Accounts Receivable — Public Employees (Government Contributory) Superannuation Fund

This amount represents the residual amount of funds required to be transferred from the Public Employees (Government Contributory) Superannuation Fund pursuant to the establishment of the Annuity Fund as at March 31, 1986.

5. Investments

	1987	
	Cost	**Market Value**
Corporate Bonds and Debentures	$1,897,829	$1,960,601
Short term investments	1,856,589	1,856,589
Total	$3,754,418	$3,817,190

6. Accumulated Provision for Annuities Payable

As discussed in Note 1, the accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

An actuarial valuation of the Public Employees (Government Contributory) Annuity Fund was performed as at March 31, 1987. The actuarial valuation was based on a number of assumptions about future events such as interest rates and mortality. The interest rate assumptions used reflect management's best estimate of the expected long term rate of return on the Annuity Fund's assets. The consulting actuaries estimated the total provision for annuities payable, at the valuation date to be $3,988,106.

7. Related Party Transactions

In accordance with section 39(4) of The Superannuation (Supplementary Provisions) Act, all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

8. Subsequent Events

a) **Administration Costs**

On June 28, 1988, subsection 43.1 of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988 establishes that sums required for the administration of The Public Employees (Government Contributory) Annuity Fund shall be a charge on and paid out of that Fund. The annual operating expenditures for the 1988-89 year associated with the Fund's administration are estimated to be $26,000 and will be paid to the Public Employees Benefits Agency Revolving Fund.

b) **Investment Administration and Management Fees**

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1988 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 of the Superannuation (Supplementary Provisions) Act authorizes the Board to enter into any agreement or engage any services considered necessary for the

purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchase of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan. The unanimous shareholders agreement states that The Public Employees (Government Contributory) Annuity Fund is entitled to shares jointly with The Public Employees (Government Contributory) Superannuation Fund. The shares are currently registered and held by The Public Employees (Government Contributory) Superannuation Fund.

The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging The Public Employees (Government Contributory) Superannuation Fund as a registered shareholder for its services from that date.